Testimony on the Governor's Budget Proposal
For the Department of Mental Health and Addiction Services
Presented to the Appropriations Committee
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By
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Good afternoon Senator Harp and Representatives Walker and Candeleria. I am Stephen Larcen, President and CEO of Natchaug Hospital, with facilities in Mansfield, Windham, Danielson, Putnam, Vernon, Enfield, Norwich, Montville, Groton and most recently Old Saybrook. I am here today to speak to you about the Governor's proposed budget for Fiscal Years 2012 and 2013 for the Department of Mental Health and Addiction Services.

First, I want to commend Governor Malloy for his leadership and extraordinary efforts to preserve the safety net for those most in need of mental health services. This is particularly remarkable given the economic realities confronting our state.

My concerns are with the proposed reduction of $3.6 million in grants to hospitals and FQHC's for uncompensated care. The rationale for this cut was that increases in Medicaid Low Income reimbursement and utilization as a result of Connecticut's initiative to convert SAGA under the provisions of federal health care reform reduced the need for these grants. It is not clear from the budget documents whether this cut **eliminates or simply reduces** this program of grants for the uninsured adults that need inpatient care.

Connecticut implemented this program of grants for the uninsured when it closed Norwich Hospital in 1996. Natchaug Hospital, along with Day Kimball Hospital, Backus Hospital and Lawrence and Memorial Hospital all agreed to enter into contracts with DMHAS to help meet the critical needs for access to inpatient care for those previously served in a state facility.

Over the years this has been expanded to include other hospitals, including Hartford Hospital, Middlesex Hospital, and others. The closing of Cedarcrest Hospital in June of 2010 only makes this program more critical to ensure that patients are not stuck in emergency rooms due to lack of access to care as a result of the closure of state facilities. The State saved millions through the closure of these facilities, and this commitment to support care for the uninsured should not be time limited, and certainly those hospitals who have agreed to provide this care should not bear the full impact of this cut.

It remains unclear if over time the increased coverage of more adults under Medicaid Low Income Adult program will reduce the amount needed to fund these grants since this program is less than a year old. Certainly, in 2014 there will likely be a major increase in coverage under national health care reform. But now, in July 2011 there will still be considerable need for these grants for the uninsured that need access to inpatient care.

I would urge the Committee to carefully review this proposal, and consider deferring this reduction to the second year of the biennium and consider only a reduction, **not its elimination**, to ensure that access to care is not impacted and that this element of the safety net for the most seriously mentally ill is not compromised during our transition to improved healthcare coverage in 2014.